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Press release

European construction equipment faces Covid-19 crisis from a solid economic position

- CECE releases Annual Economic Report 2020 and tailor-made video
- 2019 saw modest market development albeit the expected decline came in 2nd semester
- In the midst of the Covid-19 crisis, no reliable forecast is possible
- CECE announces measures against the Covid-19 disruptions

2019 turned out to be a better year for the European construction equipment sector than initially expected. Whereas CECE had forecast a “soft landing” with a modest market decline across the industry, **total sales in Europe in 2019 grew by 3.4% compared to 2018**. The slowing momentum over the year, however, was indeed in line with expectations: after +7.1% in Q1 and +6.5% in Q2, the market turned negative and declined by 0.1% and 2.5%, respectively in Q3 and Q4. The European market reached a new high after the economic crisis of 2008, without hitting the record volumes of 2007.

Presenting the report to the press, Secretary General Riccardo Viaggi said: ***“This is when we like to be wrong. 2019 was better than we had expected, the underlying demand has remained stable and the bauma effect materialised itself in Q2.”***

Detailed performance in 2019

Most regions in Western and Northern Europe came from already high levels and saw a stable development in 2019 or even more growth. Southern, Central and Eastern European markets recorded growth on average but did not meet our most optimistic expectations. Once more, the Turkish market was the negative outlier, as sales saw a free fall after an already negative 2018. Sales of earthmoving equipment in Europe (including Russia and Turkey) grew by another 5% in 2019. Sales of road equipment on the European market went up by 2%. This positive development could only be achieved by a singular effect related to bauma. Concrete equipment met expectations of a slight downturn of 6%. Tower cranes also saw a 6% decline in sales in Europe. This was primarily the result of a weak fourth quarter, when sales dropped by 19%.

Outlook 2020

In the beginning of 2020, the CECE Business Climate Index showed an optimistic trend, which turned again into a dramatic decline in March with the early sign of the Covid-19 disruptions.

By the time of writing the Annual Economic Report, a 10% decline in global sales and a 5% decline in the European market were realistic scenarios, considering the current demand of equipment and economic cycles. However, as of mid-March 2020, any forecast has become impossible because of the emerging



Covid-19 crisis, which will certainly have a severe impact on the construction equipment industry as well as the overall economy.

A CECE flash Barometer survey carried out between 23rd and 27th March shows clear concerns amongst CECE member companies with 32% of respondents being significantly affected by the crisis and 30% already closing factories. The Covid-19 pandemic challenges the customer-related issues, namely shutdown of construction sites and cancellation of projects. With 40% of respondents foreseeing between 10% and 30% decrease in sales one thing is certain: the Covid-19 crisis is affecting and will affect the construction equipment sector.

As there was a solid demand for construction machinery before the crisis and many projects were shut down but not cancelled, CECE is optimistic about the possibility for the industry to recover as soon as the virus is defeated.

“After recording the third positive year of sales increase across the full spectrum of construction machines, we are now facing this crisis from a position of solid growth and strong fundamentals. This does not mean that the disruptions will not be severe: demand will slow substantially, factories are and will be shutting down temporarily and strong public investment measures will be needed to keep the European economy afloat” concluded Riccardo Viaggi, CECE Secretary General.

In the meantime, CECE and other European industry associations representing the non-road mobile machinery sector [called on the EU](#) to adopt swift measures in response to disruptions caused by the COVID-19 pandemic.

About the Report – this time with a short summary in a video

The CECE Annual Economic Report contains sections on the macro economic situation, the performance of the construction sector, the main markets and main segments of the European construction equipment industry. The report includes also information from the national CECE member associations, shedding more light on regional developments in the European construction equipment sector. The **full report** with detailed figures and graphs can be downloaded [here](#). The **video** can be viewed [here](#). Also, please follow [this link](#) to view the **slides from the CECE Online Press Conference** on the report.

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About CECE

CECE, the Committee for European Construction Equipment, represents the interests of 1,200 construction equipment manufacturers through national trade associations in 13 European countries: Germany, the UK, France, Italy, Spain, Czech Republic, Sweden, Finland, The Netherlands, Belgium, Austria, Russia and Turkey. CECE manufacturers generate €40 billion in yearly revenue, export a sizeable part of the production, employ around 300.000 people overall. They invest and innovate continuously to deliver equipment with highest productivity and lowest environmental impact. Efficiency, safety and high-precision technologies are key. See also www.cece.eu.